DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350-1000

SECNAVINST 5700.16
OCNR 26
27 October 1989

SECNAV INSTRUCTION 5700.16

From: Secretary of the Navy

Subj: DOMESTIC TECHNOLOGY TRANSFER

Ref: (a) Public Law 96-480, "Stevenson-Wydler Technology Innovation Act of 1980," 21 Oct 80, as amended by Public Law 99-502, "Federal Technology Transfer Act of 1986," 20 Oct 86
(b) Public Law 100-418, "Omnibus Trade and Competitiveness Act of 1988," 23 Aug 88
(c) Executive Order 12591, "Facilitating Access to Science and Technology," 10 Apr 87
(d) DoD 3200.12-R-4 of 27 Dec 88, Domestic Technology Transfer Program Regulation (NOTAL)

1. Purpose. To provide policy and guidance for the systematic transfer to the U.S. civilian sector of appropriate technology developed by the Department of the Navy for national defense purposes.

2. Scope. This instruction applies to military-civilian domestic technology transfer (DTT) in order to enhance returns from the Federal investment in research and development. It does not apply to international technical information disclosures, releases, sales, or exchanges.

3. Background

a. The Nation is experiencing severe shortages of resources required to satisfy our total technological needs. Thus in order to derive maximum returns from our technological investments, it is essential that our available resources be used as effectively as possible to capitalize on our existing technological developments and innovations.

b. For many years the U.S. civilian sector has derived significant spin-off benefits from the Department of the Navy's efforts in the development and application of technology. In most cases, these transfer actions were taken on an ad hoc basis. Both the Department of the Navy and the Nation will derive considerably greater benefits if such DTT activity is encouraged and systematically pursued as a matter of policy,

within the constraints governing appropriate control of classified information, military sensitive unclassified information, and militarily critical technologies.

c. In recognition of the benefits of DTT, the Congress passed legislation (reference (a)) to stimulate improved utilization of federally funded technology developments, including authority for Federal laboratories to participate in Cooperative Research and Development Agreements (CRDAs) with U.S. industry and academia. Reference (b) subsequently increased Federal funding support for DTT. To underscore this legislative interest, the President of the United States issued reference (c) calling for prompt action in implementing these initiatives for facilitating U.S. private sector access to Federal science and technology. Reference (d) authorizes the Department of Defense DTT Program and responds to the requirements of references (a), (b), and (c).

4. Policy

a. It is the Department of the Navy policy to promote military-civilian DTT and associated CRDAs on a systematic basis under references (a), (b), (c), and (d). In this context DTT involves the transfer of technology developed by the Department of the Navy for national defense purposes to the U.S. civilian sector where such technology can be used profitably in non-military applications.

b. This policy is undertaken in the interest of the most economical development and use of technology by the Department of the Navy, and within the Nation at large. The purpose is to improve the economic, environmental, and social well-being of the United States by stimulating improved utilization of federally funded technology developments, including inventions, software, and training technologies. In the execution of this policy, appropriate care will be taken to avoid actions which might create the appearance of undue influence over, or competition with, private enterprise and the free operation of the economy.

c. DTT, consistent with mission responsibilities, is a responsibility of each laboratory and research and development (R&D) center science and engineering professional. Furthermore, each laboratory and R&D center commanding officer and technical director shall ensure that efforts to transfer technology are considered positively in laboratory job descriptions, employee promotion policies, and evaluation of the job performance of scientists and engineers.

d. The Department of the Navy shall make available for use within the Navy not less than one half of one percent (0.5%) of the research and development budget to support the DTT functions of the Navy. This funding provision is embodied in reference (a), and may be waived by notification to Congress at the annual budget

submission, including explanation of reasons for the waiver and alternate methods of conducting the technology transfer function.

e. In order to further encourage the growth and development of Navy DTT, any royalties or other income received by a Navy component from the licensing or assignment of inventions as a result of CRDAs, and inventions licensed under section 207 of title 35, U.S. Code, shall be allocated per references (a) and (d).

f. Navy military-civilian DTT policy remains subject, as appropriate, to all regulations governing information disclosures and national security.

5. Responsibilities

a. The Chief of Naval Research (CNR) shall have cognizance over military-civilian DTT, including approval and delegation of signature authority for CRDAs.

b. The Naval Nuclear Propulsion Program is exempt from the provisions of this instruction, consistent with Executive Order 12344, statutorily prescribed by Public Law 92-525 (42 USC 7158 note) which establishes the responsibilities and authority of the Director, Naval Nuclear Propulsion. The Director shall retain authority over all releases of technology and information related to naval nuclear propulsion matters, and shall review all proposed transfers of technology, information, or equipment designed for, used in, or intended for a naval nuclear propulsion application.

6. Action

a. The CNR shall provide general guidance for military-civilian DTT and CRDAs, and through the Office of Naval Technology (OCNR-26) shall implement domestic aspects of references (a), (b), (c), and (d).

b. All components of the Department of the Navy shall cooperate in the execution of subject policy, and shall fund such participation from internal overhead resources and/or receipts from licensing or assignment of inventions under references (a) and (d). Also, all Navy components receiving Research, Development, Test and Evaluation, Navy (RDT&E,N) funding equivalent to, or greater than, 10 workyears of effort, shall incorporate support of Navy DTT policy into their respective mission statements and related management guidance and policy documents.

c. The CNR, as responsible office for the RDT&E,N appropriation, shall determine the annual amount of Navy funding support to the Federal Laboratory Consortium for Technology Transfer (FLC) under references (a), (b), and (d). The CNR will collect

the funds from the RDT&E,N administering offices and shall transfer funds to the Department of Commerce, through the National Institute of Standards and Technology, for use by the FLC.

d. The CNR shall issue distribution procedures for royalties or other income received by a Navy component from the licensing or assignment of inventions as a result of CRDAs, or from inventions licensed under section 207 of title 35, U.S. Code.

H. Lawrence Garrett, III
Secretary of the Navy

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